



Q408

ANALYST TELECONFERENCE

6th February 2009



I  **SIMPLE**

New DiGi Postpaid Plans
Simple flat rate to all networks.

DiGi Postpaid

DiGi
Always the smarter choice

Enquiries: 016-221 1882 or digi.com.my

FY2008

- 10% revenue growth
- 45.1% EBITDA margin
- RM1.3bn operating cash-flow
- RM1.5bn net dividend



TAKE YOUR BUSINESS SAVINGS EVEN HIGHER.



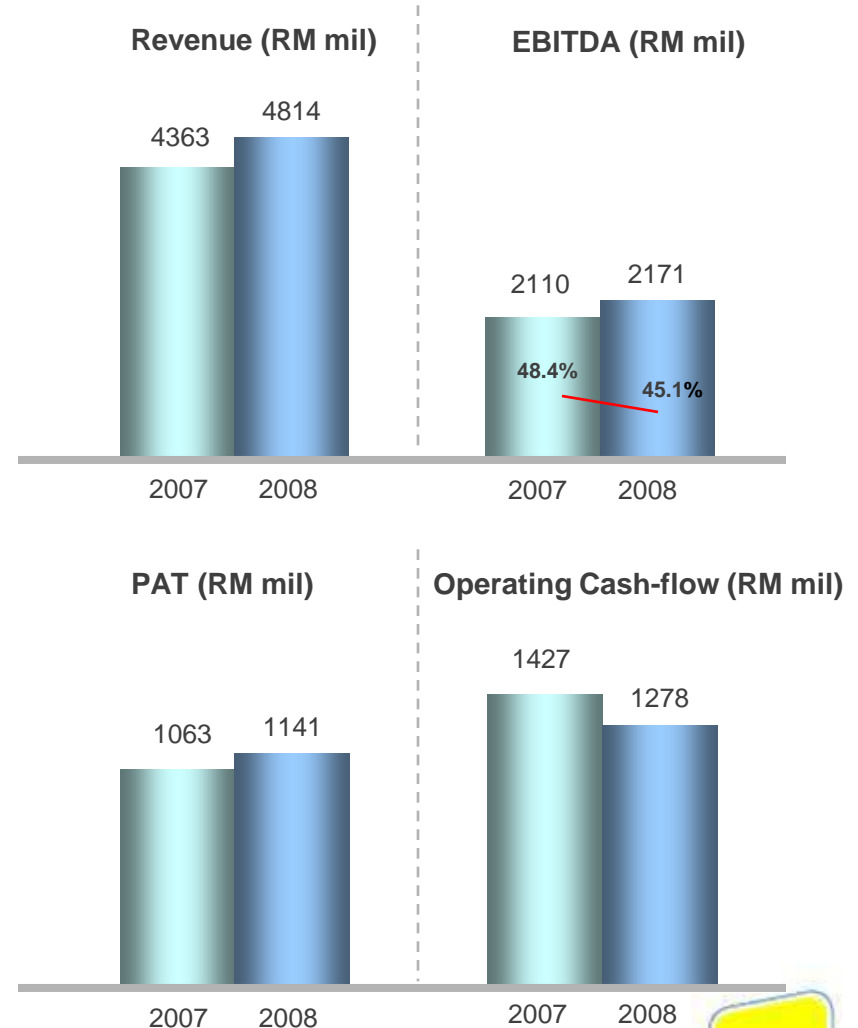
Introducing two new DiGi Business plans to help you save even more.

BIZ 150 | **BIZ 250**

FREE (DIGI TO DIGI) CALLS AFTER RM150 USAGE

PAY RM250 AND ENJOY RM500 WORTH OF CALLS AND SMS

FY2008 key numbers



Q4 and 2008 in retrospect

■ Economy

- general slowdown; lower GDP growth forecasts
- low consumer & business confidence but telco industry relatively resilient

■ DiGi highlights

- great postpaid momentum; MNP positive contributor
- prepaid impacted by general slowdown & pre- to postpaid migration
- increased focus on cost efficiency

■ Market

- MNP in full swing
- broadband taking off; increasing pent up demand
- still rational pricing

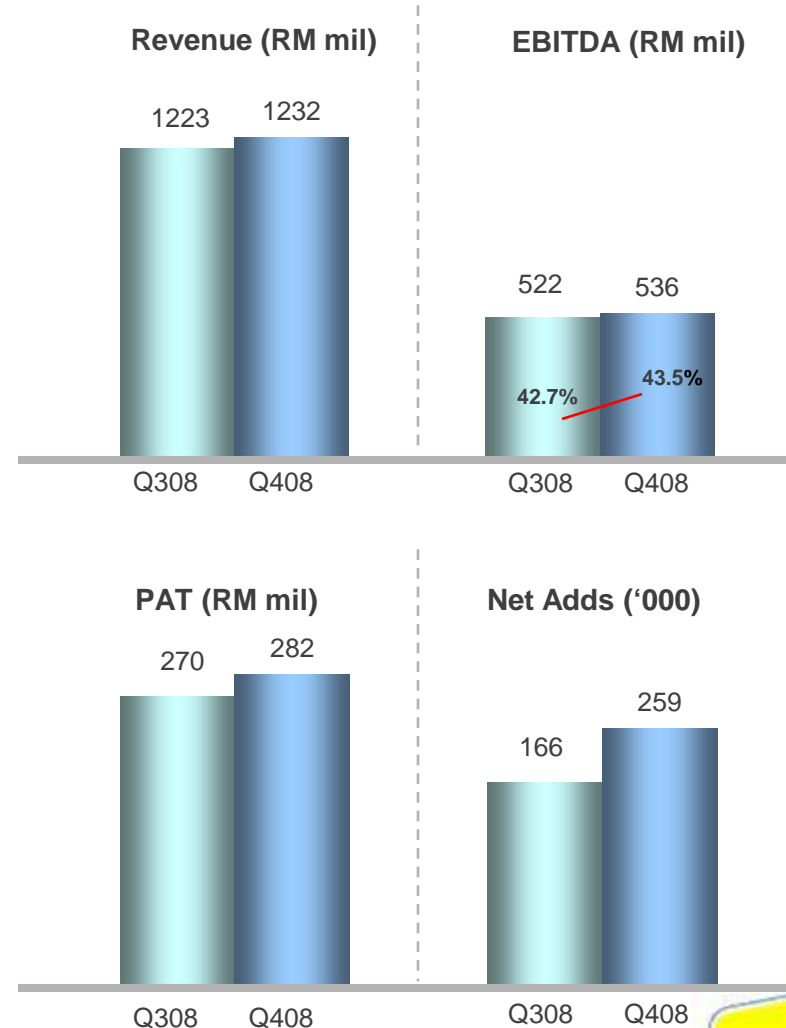
■ Financials

- met financial guidance
- proposing 53 sen final dividend
- delivered on capital management ambitions
- challenging margin development



DiGi in Q408

- revenue growth lower than previous quarters
- EBITDA margin improved but impacted by roaming fraud
- regained prepaid net adds momentum



Q408 – key numbers

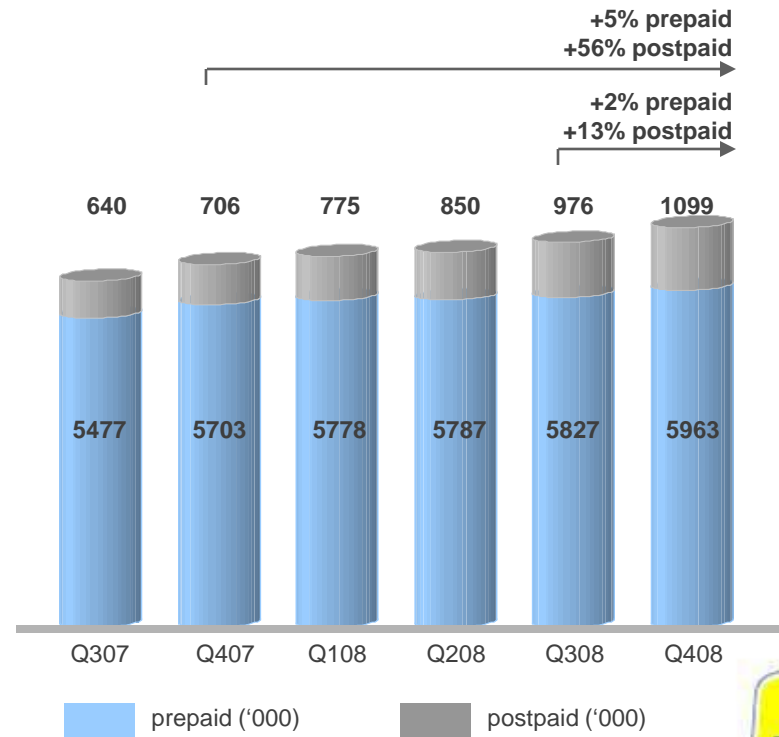
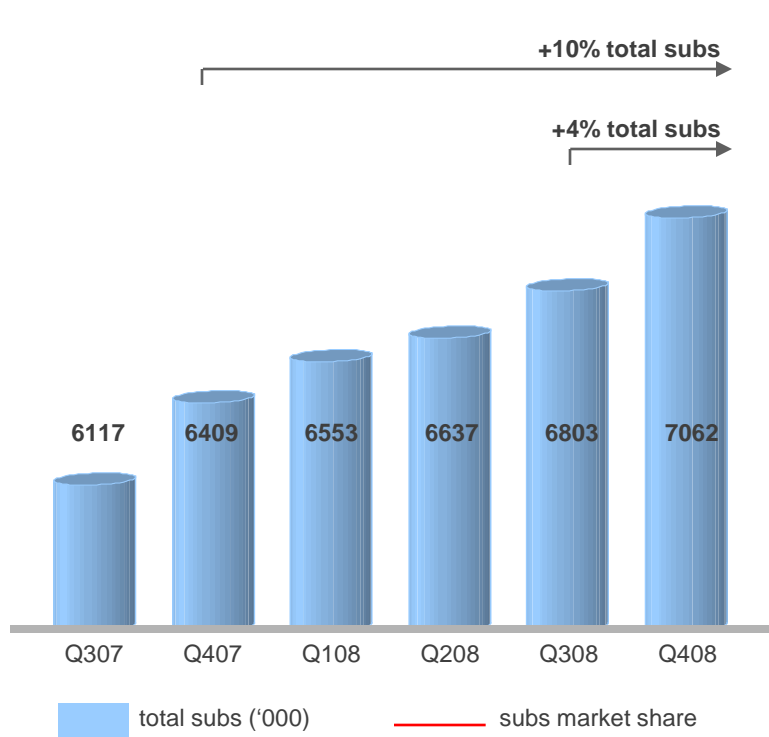
	Q408	Q-on-Q vs Q308		Y-o-Y vs Q407	
Customer base	7.1mil	+4%	(6.8 mil)	+11%	(6.4 mil)
Revenue	RM1,232 mil	+1%	(RM1,223 mil)	+5%	(RM1,177 mil)
EBITDA	RM536mil	+3%	(RM522 mil)	-8%	(RM585 mil)
EBITDA margin	43.5%	+0.8pp	(42.7%)	-6.2pp	(49.7%)
PAT	RM282 mil	+4%	(RM270 mil)	-4%	(RM293 mil)
EPS	36.3 sen*		34.7 sen*		39.1 sen

* EPS based on fully enlarged base of 777.5 mil shares



Regaining prepaid net adds momentum

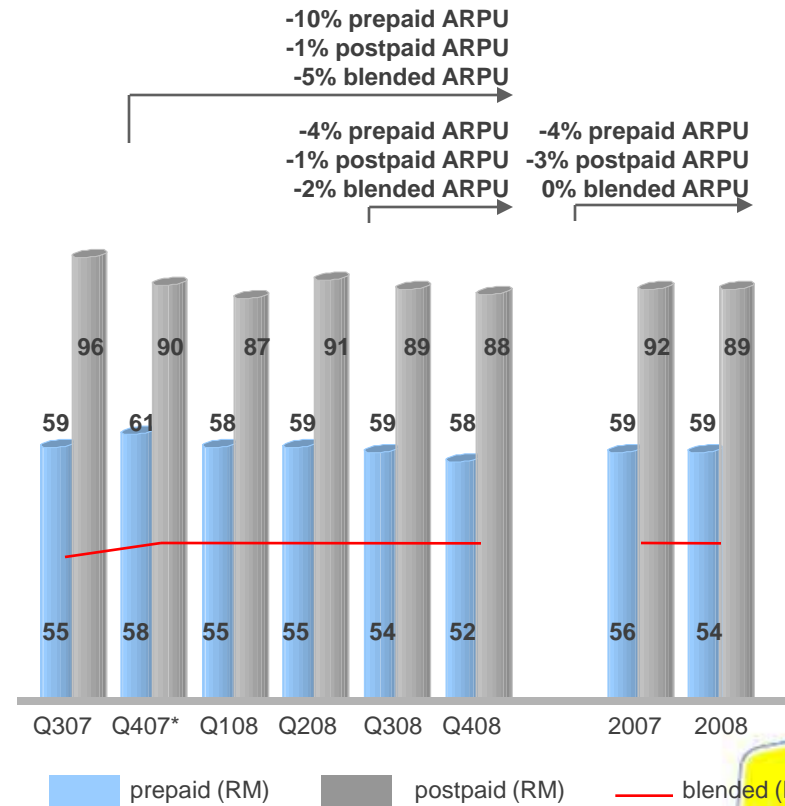
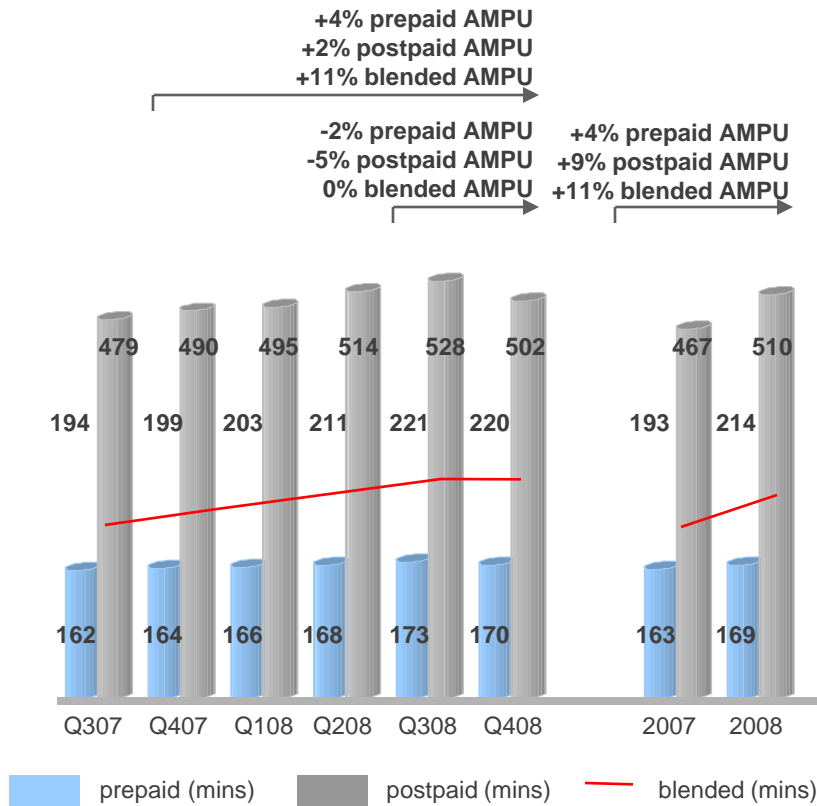
- added 259k new customers in Q4
- positive momentum from MNP; small impact on overall market
- steady pace of prepaid to postpaid migration



Slight decline in MOU and ARPU

- prepaid MOU not compensating for tariff decline this quarter

- postpaid MOU impacted by festive business closure



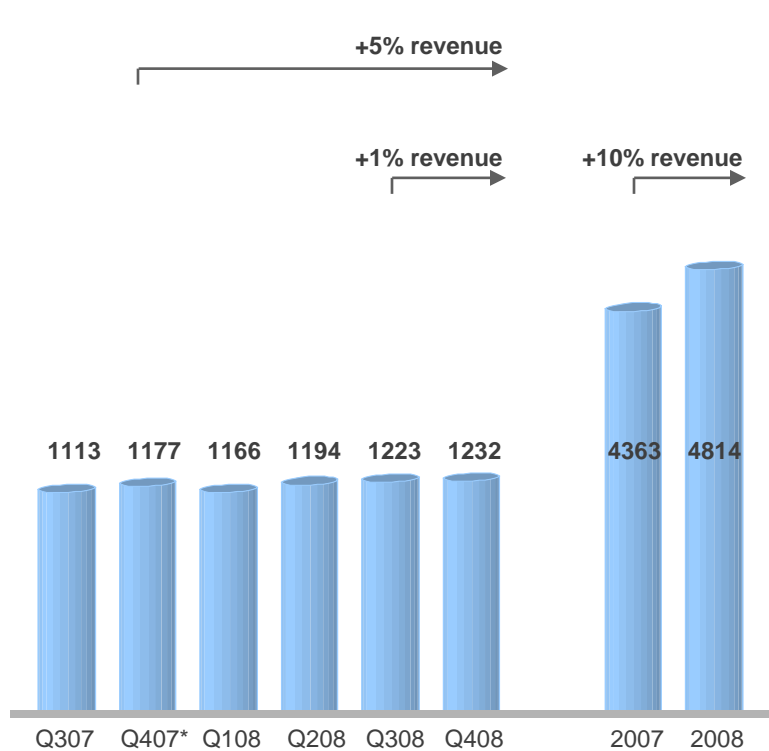
*Q407: normalised prepaid ARPU RM56 / blended RM60



Postpaid driving revenue growth

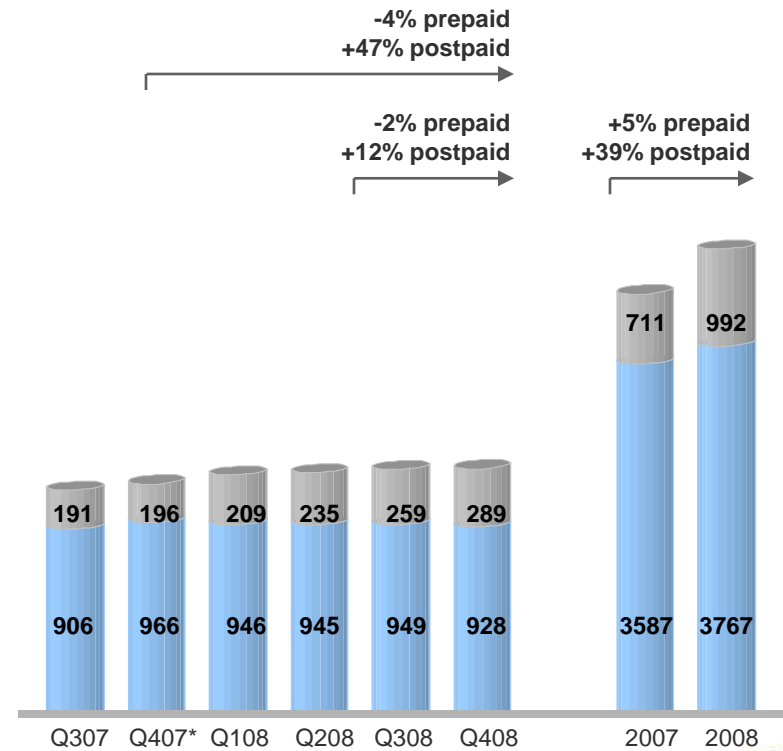
- Q-o-Q postpaid revenue grew 12%; postpaid data grew by 17%

- no prepaid revenue growth in Q4



revenue (RM mil)

*Q407 normalised revenue RM1,147 mil



prepaid (RM mil)

postpaid (RM mil)

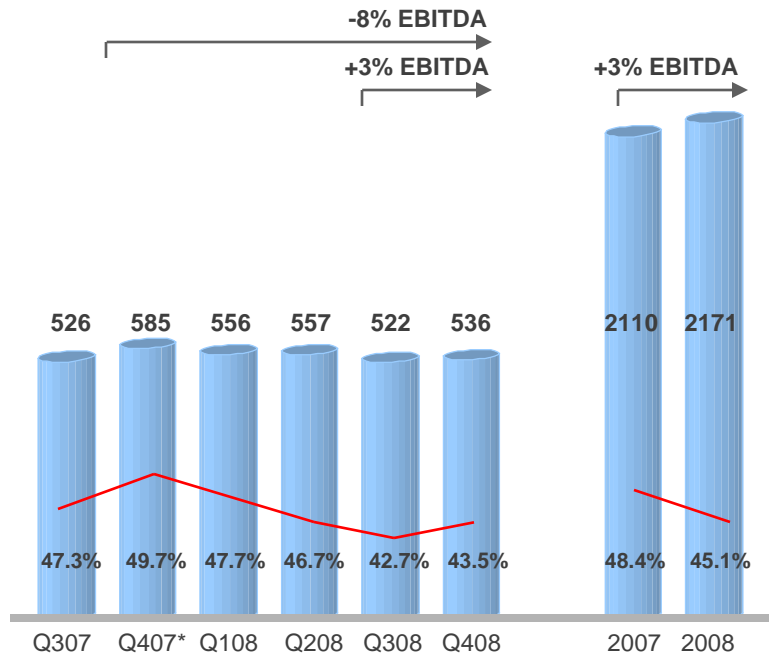
*Q407 & 2007 includes one-off RM30mil positive prepaid revenue adjustment



Improvement in EBITDA and PAT

- margin improvement in Q4 from lower S&M expenses and staff cost

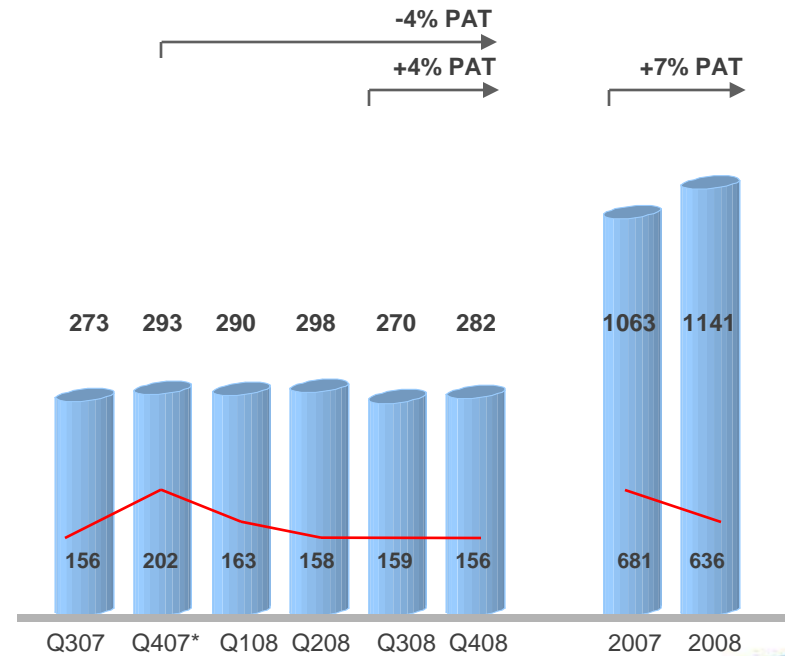
- Q4 margin impacted by roaming fraud



EBITDA (RM mil)

EBITDA margin

*Q407 normalised EBITDA RM556 mil, EBITDA margin 48.5%



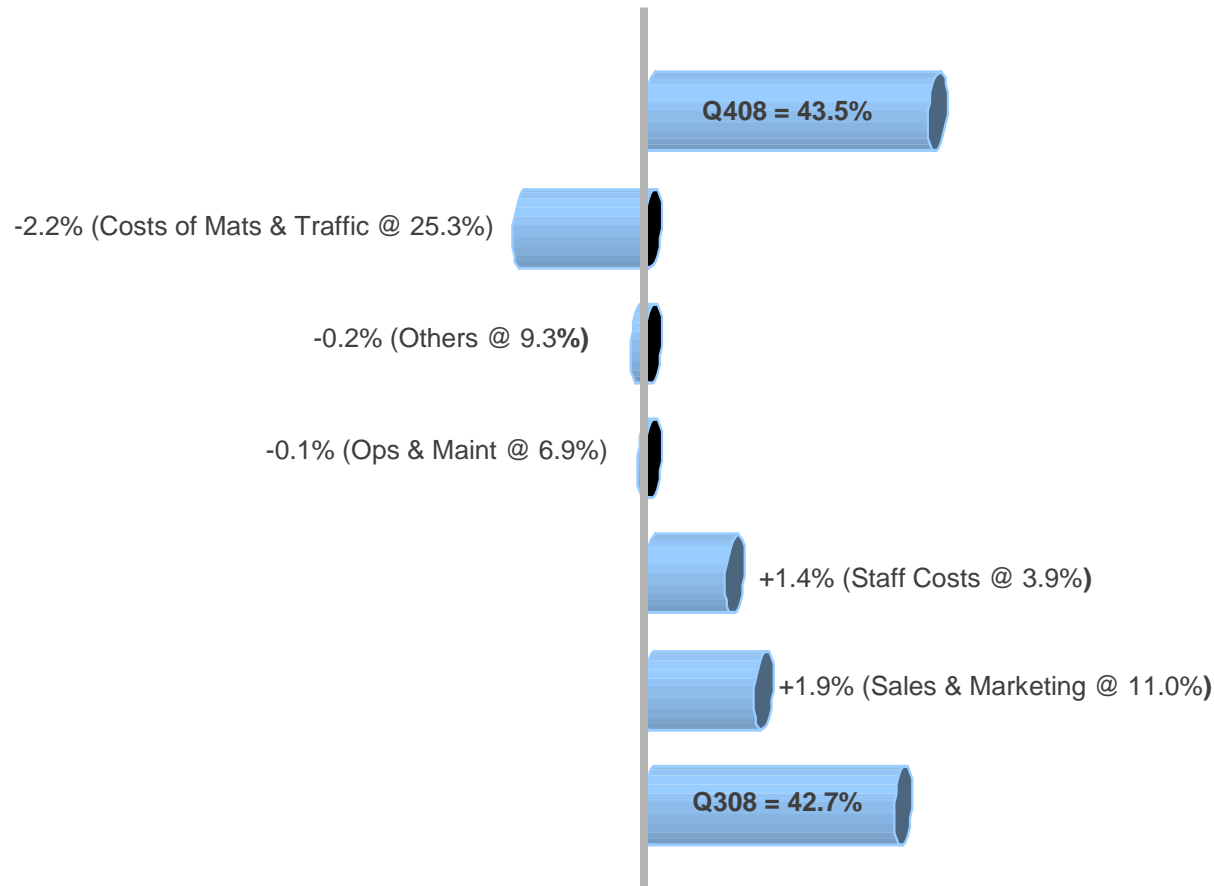
PAT (RM mil)

Dep & Amort (RM mil)

*Q407 dep & amort impacted by RM27 mil one-time charge



Key changes impacting Q-o-Q EBITDA margin

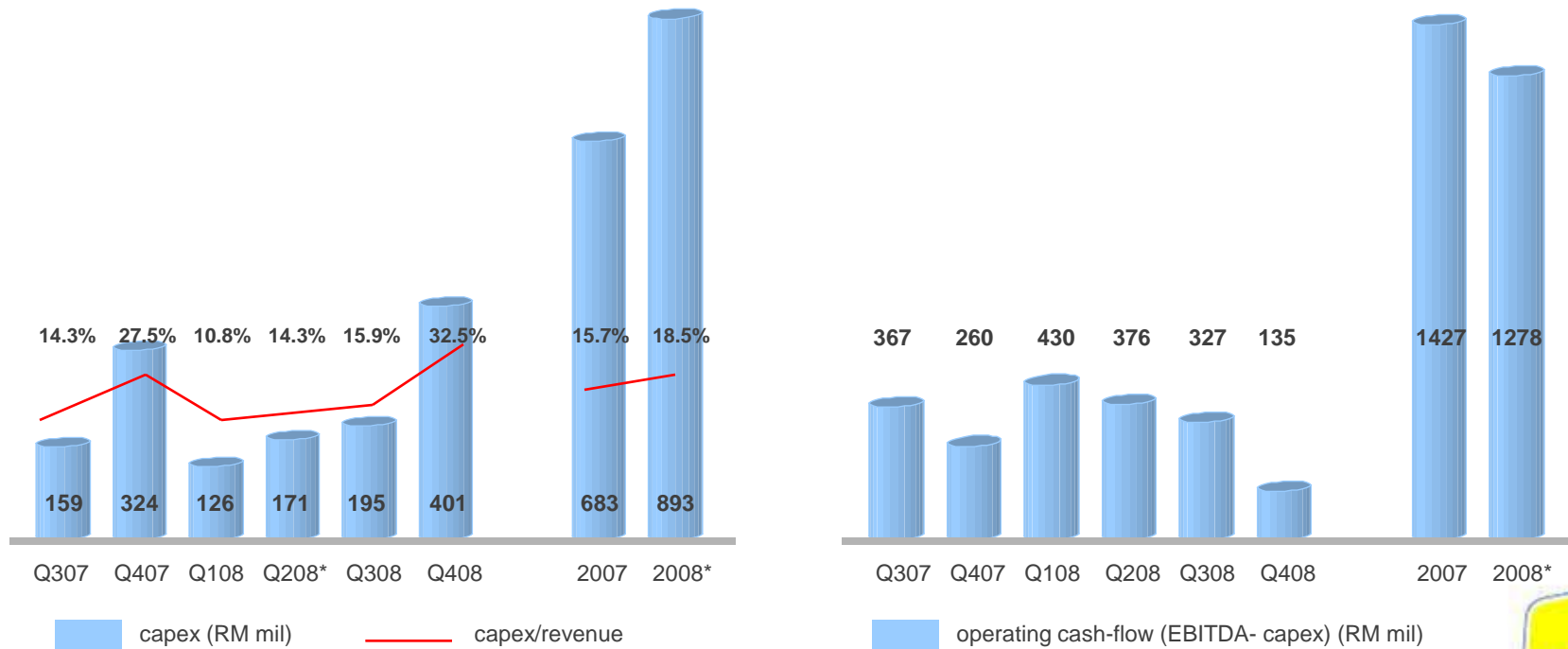


@ denotes % of revenue



2G and 3G network investment on track

- 2G roll-out focus on quality & capacity enhancement
- technology platform upgrades
- good progress in 3G/Broadband roll-out; commercial launch soon

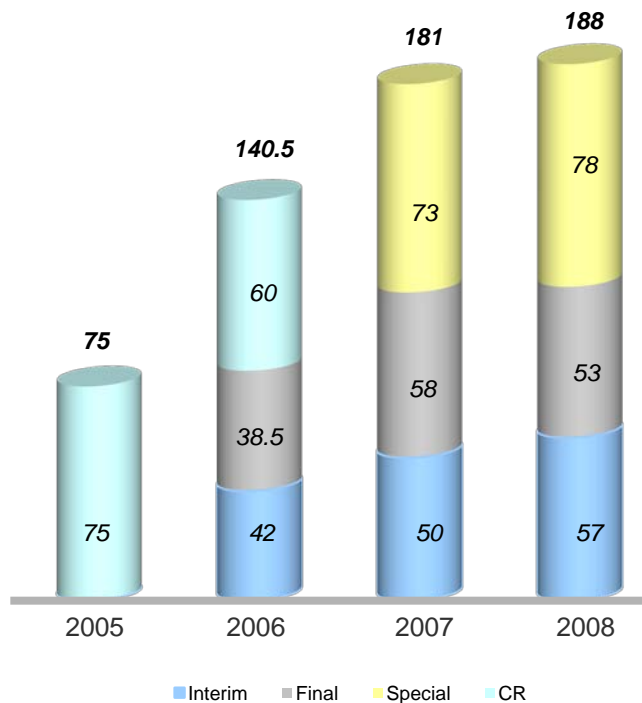


*Booked RM695mil in 3G spectrum license in total reported capex in Q208 & 2008



> 9% dividend yield for FY2008

Dividend (net sen/share)



Key Financial Ratios

	FY2008	FY2007
Total borrowings#	RM398 mil	RM200 mil
Cash & cash equivalents	RM342 mil	RM577 mil
ROE	60.1%	67.4%
ROCE	64.3%	66.4%
*FCF/share	164.4 sen	190.3 sen

* FCF = EBITDA – Capex (on 777.5 million shares)

#includes issuance of RM200 mil commercial papers in Dec 2008 with a yield to maturity of 4.14% per annum to be redeemed within 90-days in March 2009

2009 – a challenging but opportune year

■ Economy

- slowdown / recession
- lower consumer spending; low business confidence
- foreign workers deportation to affect industry

■ DiGi Focus

- strengthen & defend strongholds; keep postpaid & MNP momentum
- segment approach to tap opportunities
- establish DiGi as a credible Broadband player

■ Market

- intense but rational; more MVNOs
- APPM to continue trending down; mainly on prepaid

■ Financials

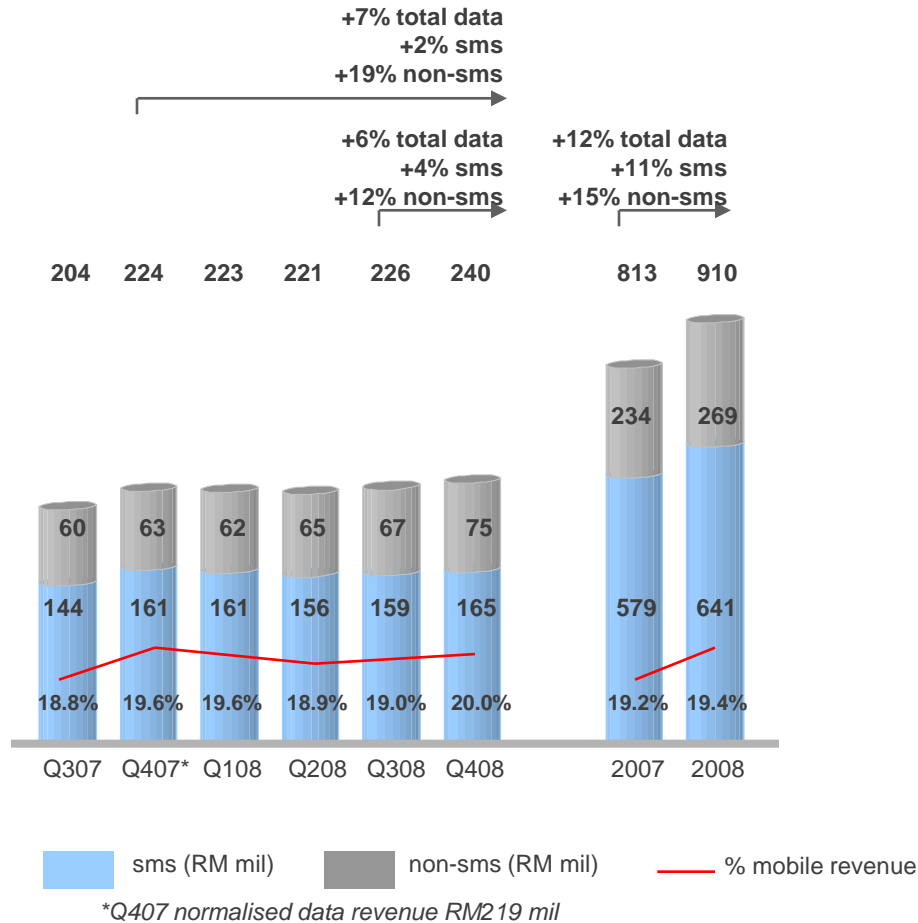
- uncertain revenue development
- cost optimization
- absolute operating cash-flow at par or higher than 2008 level
- continued balance sheet optimization



Appendices



Data revenue breakdown



Reported Profit & Loss

(RM mil)	Q408	Q308	Q208	2008	2007
EBITDA	536.3	521.7	557.2	2171.1	2110.0
Depreciation & Amortisation	(156.4)	(158.6)	(157.6)	(636.0)	(681.2)
EBIT	379.9	363.1	399.6	1535.1	1428.8
Net finance income	2.0	2.3	4.3	11.8	16.5
– <i>finance costs</i>	(3.0)	(2.4)	(3.0)	(12.3)	(15.3)
– <i>interest income</i>	5.0	4.7	7.3	24.1	31.8
PBT	381.8	365.4	404.0	1546.9	1445.3
Taxation	(99.6)	(95.5)	(105.6)	(406.2)	(382.7)
PAT	282.2	269.9	298.4	1140.7	1062.6
EPS (sen)	36.3	34.7	38.9	148.5	141.7

Opex breakdown

(RM mil)	Q408	Q308	Q208	2008	2007
Cost of materials	19.1	14.2	11.9	57.1	59.3
Traffic charges	292.9	268.5	244.8	1033.6	829.6
Sales & Marketing	135.2	157.1	129.1	547.6	503.1
- <i>advertising & promotions</i>	53.4	72.8	56.6	232.2	218.3
- <i>commissions</i>	81.8	84.3	72.5	315.4	284.8
Staff Costs	48.5	65.0	64.2	242.1	226.6
Operations & Maintenance	84.6	82.8	73.7	307.8	256.6
Other expenses	116.9	120.2	114.5	466.4	390.1
- <i>USP fund and license fees</i>	72.2	72.1	73.2	285.1	242.1
- <i>provision for bad & doubtful debts</i>	10.4	8.7	7.5	33.3	21.5
- <i>others</i>	34.3	39.4	33.8	148.0	126.5
TOTAL	697.2	707.8	638.2	2654.6	2265.3

Cash-flow

(RM mil)	Q408	Q308	Q208	2008	2007
Cash at start	512.3	704.8	883.7	577.1	869.5
Cash-flow from operations	443.6	355.5	486.0	1786.9	1794.1
Changes in working capital	175.2	85.2	59.0	243.7	(204.5)
Cash-flow used in investing activities	(391.3)	(190.5)	(172.8)	(873.7)	(644.6)
- Capex	(400.8)	(194.7)	(181.0)	(892.7)	(682.7)
Cash-flow used in financing activities	(408.5)	(443.2)	(551.1)	(1402.7)	(1237.4)
Net change in cash	(181.0)	(192.5)	(178.9)	(245.8)	(292.4)
Cash at end	331.3	512.3	704.8	331.3	577.1
Operational cash-flow (EBITDA – Capex)	135.5	327.0	376.2	1278.4	1427.3

Disclaimer

This presentation and the following discussion may contain forward looking statements by DiGi.Com Berhad ("DiGi") related to financial trends for future periods.

Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on DiGi's current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not and, should not be construed, as a representation as to future performance or achievements of DiGi. In particular, such statements should not be regarded as a forecast or projection of future performance of DiGi. It should be noted that the actual performance or achievements of DiGi may vary significantly from such statements.





thank you

see you next quarter